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# World Production and Trade

United States  
Department of  
Agriculture

Foreign  
Agricultural  
Service

Washington, D.C. 20250

Weekly  
Roundup

WR 13-87

April 1, 1987

The Foreign Agricultural Service of the U.S. Department of Agriculture today reported the following developments in world agriculture and trade.

## GRAIN AND FEED

First Subsidized FRENCH Corn Sold to TUNISIA and MOROCCO. U.S. corn exports to Tunisia, Morocco and other North African countries may face increased competition from European Community (EC) corn. Sales of French corn for nearby delivery have been confirmed with an export subsidy of about \$145 per ton, bringing the French price to about \$72 per ton free on board (FOB). While this is about the same price as U.S. corn, EC corn has lower transportation costs. This sale marks the beginning of commercial EC corn exports which could reach 750,000 tons to North Africa and the Middle East. These areas traditionally have purchased most of their corn from the United States.

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JAPAN Maintains Strong Demand for U.S. Corn. Japan appears to be relying less on corn from China, Argentina and South Africa. In the past seven weeks, reported U.S. corn sales of nearly 3 million tons to Japan are about three times the level during this period last year. Reports of short Argentine exportable supplies and the apparent unwillingness of the Chinese to sell at the current world prices may have caused Japanese buyers to turn to the United States for corn.

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CANADIAN Crop Intentions Reported Up for Barley and Durum Wheat. Canada's 1987/88 exportable supplies of barley and durum wheat could increase as indicated by recent statistics that show planting intentions up 18 percent for durum and 10 percent for barley over last year's levels. However, total wheat planting intentions dropped about 7 percent, which could relieve pressure on Canada's growing stocks of common wheat.

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SALLY KLUSARITZ, Editor, Tel. (202) 447-3448. Additional copies may be obtained from FAS Media and Public Affairs Branch, 5922-S, Washington, D.C. 20250. Tel. (202) 447-7937.

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Cold Weather Damages FRENCH Winter Barley Crop. Cold winter weather caused damage to France's 1987/88 winter barley crop, according to the U.S. agricultural counselor in Paris. An estimated 10-20 percent of the winter barley crop in the North Picardie region was lost due to winterkill from very cold January temperatures. The affected area accounted for nearly one-quarter of the total barley harvest last season. The winter crop loss is expected to result in a decline in the total 1987/88 barley crop. Winter barley normally accounts for about two-thirds of the total French crop. It is likely that much of the lost area will be replanted to other crops such as corn, rapeseed and wheat.

#### OILSEEDS AND PRODUCTS

CANADIAN Imports of U.S. Peanuts Decline. Canadian statistics report that the U.S. share of Canada's peanut market (both shelled and unshelled) in calendar year 1986 declined by 16.6 percent from the 1985 level. Statistics released show that the major competitor, China, increased its market share to 14.3 percent from 1.7 percent in 1985.

The following table shows the sources of Canadian peanut imports in metric tons for calendar 1985 and 1986.

Unshelled	Country	1985	1986
	United States	5,138	6,215
	China	95	47
	Total	5,233	6,262
Shelled	United States	63,479	58,139
	China	1,075	11,203
	Netherlands	0	1,978
	Argentina	0	18
	Brazil	0	16
	Other	68	1,224
	Total	64,622	72,578

#### DAIRY, LIVESTOCK AND POULTRY

SOVIET Livestock Sector Shows Favorable Results. According to Soviet data, livestock production on state and collective farms in the USSR showed favorable results for the first two months of 1987. Total meat production (on a live-weight basis) was up 5 percent. Beef production was up 7 percent, pork production was up 3 percent, while poultry meat was up 2 percent. Output of milk during January and February was up 7 percent, possibly reflecting good forage supplies. All of the increase was attributed to higher production per cow. Output of eggs was up 2 percent, with output per hen essentially unchanged from January-February 1986.

Cattle held by state and collective farms as of March 1 were reported at 96.1 million head, 1.4 million head above the 1986 level. Cow numbers reported at 28.9 million head were slightly below the year-earlier level. Inventories of hogs were reported at 60.3 million head, 2 percent above the 1986 level, while holdings of poultry were slightly below March 1986.

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INDIA'S Poultry Sector Continues Its Rapid Expansion. India's production of poultry meat and eggs continued to expand rapidly in 1986, according to the U.S. agricultural counselor in New Delhi. Poultry meat output in 1986 totaled 175,000 tons, a 9-percent increase from 1985. Egg output also increased 9 percent to 17.5 billion eggs. Output of both products was stimulated by growing consumer demand and favorable profit margins for producers. Expanding use of improved breeds of both broilers and layers is helping producers increase output while economizing on use of feed.

#### COTTON AND FIBERS

U.S. Weekly Upland Cotton Exports Highest of Marketing Year. U.S. upland cotton exports for the week of March 13-19 totaled 196,000 running bales, the highest single week total for the 1986/87 marketing year. Asian destinations accounted for 58 percent of the shipments, with West European and African markets each accounting for 20 percent and Western Hemisphere markets accounting for 2 percent. Cumulative exports for the 1986/87 marketing season are 4.05 million running bales, nearly three times the year-earlier level. Total exports for the 1986/87 marketing year are forecast at 6.33 million running bales (6.65 million 480-pound bales).

#### TOBACCO

UNITED KINGDOM Announces Tobacco Tax Standstill. The United Kingdom's (UK) 1987 budget surprisingly contained no increases in VAT or excise taxes on tobacco. Nearly all budgets in recent years have included tax increases on tobacco products. Furthermore, the budget reduced the overall income tax standard rate from 29 percent to 27 percent. This reduction will result in a general increase in purchasing power and may mean no budget-induced decline in tobacco consumption.

Cigarette output peaked in the UK in 1978 at 159 billion and remained near this level until 1980. Cigarette production has fallen steadily since 1980 and was estimated at only 118 billion in 1986. U.S. shipments of leaf to this market have also declined over the years, falling from an average of 29,000 tons during the late 1970's to less than 10,000 tons in 1986.

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## FRUITS

MEXICO'S Strawberry Production Continues To Expand. Substantial production gains for both fresh and frozen strawberries during the 1986/87 season are expected in Mexico, according to the U.S. agricultural counselor in Mexico City. The impetus behind the increase was the joint decision by producers and government officials to plant more. Total harvested area is currently estimated at 4,750 hectares, 19 percent more than in 1985/86. Frost damage in the major producing states of Michoacan and Guanajuato was minimal. The frosts proved economically beneficial to growers by thinning the crop, delaying the production peak and maintaining high prices. The frosts marginally affected yields which are expected to average 19 metric tons per hectare, 12 percent above last season. Crop quality appears excellent with 35 percent of the crop rated grade "A", 50 percent grade "B" and only 15 percent grade "C".

The 1986/87 season is the first when the percentage of strawberries diverted for processing will exceed the volume entering the domestic fresh market. Production of frozen strawberries will be exceptionally high--a reflection of the large fresh crop and the lack of carryin-stocks from last year.

The following table shows Mexican strawberry production with data in hectares and metric tons.

	1984/85	1985/86	1986/87
Area harvested	3,500	4,000	4,750
Production, fresh	66,500	68,000	90,900
Production, frozen	25,554	28,052	39,753

## EXPORT ENHANCEMENT INITIATIVES

The status of USDA's Export Enhancement Program as of March 27, 1987, was as follows in metric tons:

ANNOUNCED INITIATIVES	DATE ANNOUNCED	QUANTITY/RESULTS
64. Iraq table eggs	Feb. 20, '87	189 million eggs
63. Canary Islands poultry	Feb. 9, '87	5,000
62. Nigeria wheat	Jan. 28, '87	500,000
61. China wheat	Jan. 26, '87	1,000,000 COMPLETE
60. Iraq wheat	Jan. 16, '87	800,000 Sold 220,000
59. Switzerland barley or sorghum	Jan. 16, '87	250,000 Sold 9,000
58. Poland wheat	Jan. 7, '87	500,000 COMPLETE
57. Poland barley or sorghum	Dec. 31, '86	200,000 Sold 137,000
56. Romania wheat	Dec. 23, '86	250,000
55. Iraq poultry	Dec. 22, '86	60,000 Sold 25,000

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EXPORT ENHANCEMENT PROGRAM INITIATIVES (CONT)

54. Dominican Republic table eggs	Dec. 9, '86	25 million eggs	Sold 6.5 million eggs
53. Zanzibar wheat flour	Dec. 9, '86	20,000	
52. Tunisia barley	Dec. 1, '86	150,000	
51. Gulf countries (Bahrain Kuwait, Oman, Qatar, United Arab Emirates) dairy cattle	Oct. 30, '86	1,500 head	Sold 739
50. West Africa (Cameroon Cote d'Ivoire, Ghana, Togo) wheat	Oct. 30, '86	345,000	Sold 29,500
49. Dominican Republic poultry	Oct. 29, '86	1,500	Sold 1,133
48. Philippines barley malt	Oct. 20, '86	60,000	Sold 25,000
47. Cameroon wheat flour	Oct. 14, '86	20,000	
46. Romania barley	Sept. 24, '86	200,000	Sold 125,000
45. Venezuela barley malt	Sept. 4, '86	100,000	
44. Cyprus barley	Aug. 26, '86	150,000	Sold 108,000
43. Canary Islands wheat	Aug. 8, '86	100,000	
42. Egypt semolina	Aug. 6, '86	30,000	Sold 23,000
41. Soviet Union wheat	Aug. 1, '86	4,000,000	EXPIRED
40. Canary Is. dairy cattle	July 28, '86	3,000 head	Sold 75
39. Hong Kong table eggs	July 28, '86	44 million eggs	Sold 22.0 million eggs
38. Senegal wheat	July 17, '86	100,000	COMPLETE
37. India vegetable oil	July 8, '86	25,000	COMPLETE
36. Jordan barley	June 17, '86	60,000	
35. Israel barley	June 17, '86	200,000	Sold 66,682
34. Tunisia dairy cattle	May 29, '86	4,000 head	COMPLETE
33. Algeria dairy cattle	May 29, '86	5,000 head	
32. Sri Lanka wheat	May 16, '86	125,000	COMPLETE
	March 5, '87	95,000	Sold 35,000
31. Saudi Arabia barley	May 7, '86	500,000	COMPLETE
	Aug. 6, '86	250,000	COMPLETE
	Sept. 16, '86	300,000	COMPLETE
	Oct. 8, '86	200,000	COMPLETE (201,000)
	Jan. 5, '87	1,250,000	COMPLETE
30. Algeria barley	Apr. 17, '86	500,000	
29. Morocco dairy cattle	Apr. 16, '86	4,000 head	COMPLETE
28. Turkey dairy cattle	Apr. 16, '86	5,000 head	COMPLETE
27. Egypt dairy cattle	Apr. 16, '86	6,000 head	COMPLETE
	Sept. 12, '86	10,000 head	Sold 2,801
26. Yemen poultry feed	Apr. 14, '86	150,000	Sold 7,000
25. Yugoslavia wheat	Apr. 10, '86	200,000	COMPLETE
	June 24, '86	200,000	COMPLETE
	Oct. 7, '86	500,000	Sold 93,050

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EXPORT ENHANCEMENT PROGRAM INITIATIVES (CONT)

24. Indonesia dairy cattle	Apr. 9, '86	7,500 head	COMPLETE
23. Syria wheat	Apr. 8, '86	700,000	CANCELLED
22. Benin wheat	Apr. 7, '86	45,000	Sold 30,000
21. Algeria table eggs	Apr. 4, '86	500 million	eggs
20. Iraq dairy cattle	Apr. 4, '86	6,500 head	Sold 445
19. Jordan wheat	Mar. 19, '86	75,000	COMPLETE
	June 20, '86	75,000	COMPLETE
	Dec. 31, '86	225,000	
18. Tunisia wheat	Mar. 18, '86	300,000	COMPLETE
	Aug. 22, '86	800,000	Sold 250,000
17. Algeria wheat flour	Feb. 25, '86	100,000	
16. Algeria semolina	Feb. 11, '86	250,000	Sold 30,000
15. Philippines wheat	Jan. 7, '86	150,000	COMPLETE (152,400)
14. Zaire wheat	Dec. 27, '85	35,000	COMPLETE
	May 15, '86	45,000	COMPLETE
	Oct. 17, '86	40,000	Sold 25,000
13. Nigeria barley malt	Dec. 10, '85	100,000	Sold 23,700
12. Iraq wheat flour	Dec. 9, '85	150,000	COMPLETE
	Jan. 7, '87	175,000	
11. Egypt poultry	Nov. 26, '85	8,000	COMPLETE
	Mar. 21, '86	15,000	COMPLETE
	June 18, '86	5,000	COMPLETE
	July 8, '86	15,000	COMPLETE
	Dec. 19, '86	25,000	Sold 12,500
	Feb. 27, '87	6,000	
10. Zaire wheat flour	Nov. 18, '85	64,000	COMPLETE
	May 15, '86	30,000	Sold 15,000
9. Philippines wheat flour	Nov. 15, '85	100,000	Sold 50,000
8. Jordan rice	Nov. 8, '85	40,000	Sold 38,700
	Jan. 13, '87	60,000	
7. Turkey wheat	Oct. 16, '85	500,000	COMPLETE (506,600)
	May 8, '86	500,000	Sold 248,000
6. Morocco wheat	Sept. 30, '85	1,500,000	COMPLETE
	Dec. 9, '86	790,000	Sold 260,000
5. Yemen wheat	Sept. 6, '85	100,000	COMPLETE
	Jan. 26, '87	100,000	Sold 25,000
4. Yemen wheat flour	Aug. 20, '85	50,000	COMPLETE
	Apr. 14, '86	100,000	COMPLETE

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EXPORT ENHANCEMENT PROGRAM INITIATIVES (CONT)

3. Egypt wheat	July 26, '85	500,000	COMPLETE
	Oct. 30, '85	500,000	COMPLETE
			(512,500)
	June 24, '86	500,000	COMPLETE
	July 29, '86	52,000	Sold 29,000
	Oct. 8, '86	1,000,000	Sold 406,000
2. Egypt wheat flour	July 2, '85	600,000	COMPLETE
	Aug. 6, '86	600,000	
1. Algeria wheat (ex durum)	June 4, '85	1,000,000	COMPLETE
wheat (ex durum)	Apr. 10, '86	1,000,000	Sold 354,000
durum	Nov. 10, '86	300,000	COMPLETE
durum	Mar. 16, '87	300,000	Sold 36,000

EXPORT ENHANCEMENT PROGRAM SUMMARY

Status as of March 27, 1987

Announced to Date      23,088,730 grains and products (grain equivalent)  
                              758 million table eggs  
                              140,500 tons frozen poultry  
                              52,500 head dairy cattle  
                              25,000 tons vegetable oil

Sold to Date              9,767,059 wheat  
                              1,412,626 flour (grain equivalent)  
                              2,840,682 barley  
                                  72,610 semolina (grain equivalent)  
                                  64,932 barley malt (grain equivalent)  
                              106,000 sorghum  
                              38,700 rice  
                              25,000 vegetable oil  
                              81,633 frozen poultry  
                              30,560 head dairy cattle  
                              28,482,000 table eggs

Total Sales Value:              \$1,374.5 million

TARGETED EXPORT PROMOTION PROGRAM

No announcements were made under USDA's Targeted Export Promotion Program this week.

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WASHINGTON, D.C. 20250

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Item	: March 31, 1987	: Change from	: A year
	:	: a week ago	: ago
ROTTERDAM PRICES 1/			
	\$ per MT	\$ per bu.	\$ per MT
Wheat:			
Canadian No. 1 CWRS-13.5%.	148.50	4.04	-6.50
U.S. No. 2 DNS/NS: 14%....	139.00	3.78	+3.00
U.S. No. 2 S.R.W. ....10/	128.00	3.48	+4.00
No. 3 H.A.D.....	161.00	4.38	+3.00
Canadian No. 1 A: Durum...	169.00	4.60	-0-
Feed grains:			
U.S. No. 3 Yellow Corn....	88.00	2.24	+1.00
Soybeans and meal:			
U.S. No. 2 Yellow.....11/	202.95	5.52	--
Brazil 47/48% Soya Pellets	183.50	--	+0.50
U.S. 44% Soybean Meal.....	181.00	--	+4.00
U.S. FARM PRICES 3/			
Wheat.....	97.36	2.65	+2.20
Barley.....	N.Q.	--	--
Corn.....	62.20	1.58	+0.79
Sorghum.....	57.76	2.62 2/	+0.22
Broilers.....	1,067.03	--	+6.83
EC IMPORT LEVIES			
Wheat 5/.....	225.15	6.13	+4.10
Barley.....	218.15	4.75	+0.45
Corn.....	209.45	5.32	+2.10
Sorghum.....	214.00	5.44	+1.65
Broilers 4/ 6/ 8/.....	515.00	--	+1.00
EC INTERVENTION PRICES 7/ 9/			
Common wheat(feed quality)	221.00	6.01	+0.45
Bread wheat (min. quality)	231.30	6.29	+0.45
Maize.....	231.30	5.88	+0.45
Barley and all other feed			
grains, excluding maize.	221.00	--	+0.45
Broilers 4/ 6/.....	1,586.00	--	-20.00
EC EXPORT RESTITUTIONS (subsidies)			
Wheat .....	152.25	4.14	--
Barley.....	N.A.	--	--
Broilers 4/ 6/ 8/.....	425.00	--	+1.00

1/ Asking prices in U.S. dollars for imported grain and soybeans, c.i.f., Rotterdam. 2/ Hundredweight (CWT). 3/ Five-day moving average. 4/ EC category--70 percent whole chicken. 5/ Reflects lower EC export subsidy--down to 20.00 ECU/100 bag effective 9/14/83 from 22.50 ECU/100 bag set in 2/83. 6/ F.o.b. price for R.T.C. broilers at West German border. 7/ Reference price. 8/ Reflects change in level set by EC. 9/ Changes may be due partly to exchange rate fluctuations and/or ECU payments. 10/ June delivery. 11/ May delivery. N.A.=None authorized. N.Q.=Not quoted. Note: Basis April delivery.